

中国平安 PINGAN

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Preliminary Proposal for Material Asset Reorganization

Sep 2nd, 2010

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Agenda

Update on Previous Transactions

Structure of the Transaction

Transaction Rationale

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Update on Previous Transactions

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29.99% Equity Investment in SDB completed: A Step Closer towards the Merger of PAB & SDB

Previous Transactions Completed

- n Early May 2010 – Newbridge transferred its 520 million Shenzhen Development Bank (“SDB”) shares to Ping An Group (“PAG”) in exchange for 299 million newly issued H shares of PAG
 - n Late June 2010 – SDB issued 380 million new shares to Ping An Life, and Ping An Life subscribed the shares by cash (RMB 6.931 billion)
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Results And Next Steps

- n As at 30th June 2010, PAG held 29.99% of SDB’s shares, becoming the largest shareholder of SDB
- n As at 30th June 2010, SDB’s CAR was 10.41%, Core CAR was 7.20%
- n As required by the regulator, the merger of Ping An Bank (“PAB”) and SDB shall be completed within a short period of time

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Structure of the Transaction

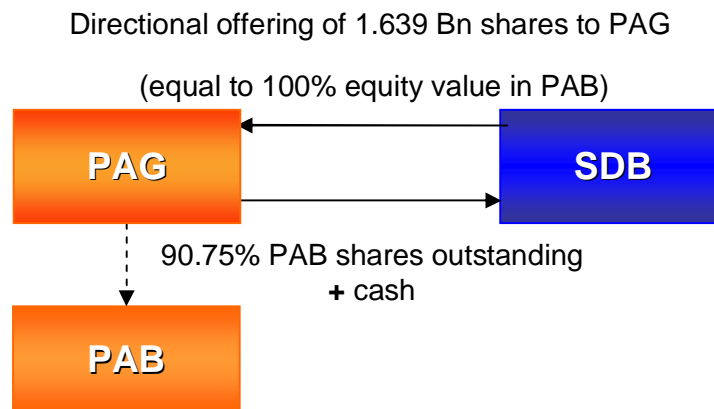
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Structure of the Transaction

Pursue material asset reorganization via subscription for the non-public share offering of SDB

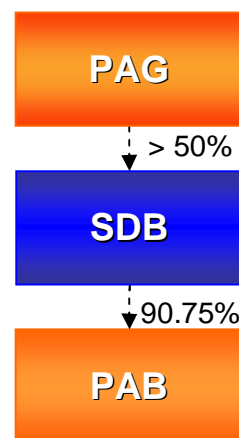
Transaction

- n SDB acquires PAB shares from PAG by a non-public offering
- n PAG subscribes ~1.639 Bn shares from the non-public offering by SDB with 90.75% of PAB shares outstanding and cash in exchange



Post-transaction

- n After the transaction, PAG controls SDB.
- n SDB holds 90.75% of PAB



Non-public Share Offering Price of SDB Shares, and Preliminary Valuation of PAB

Non-public Share Offering Price to PAG

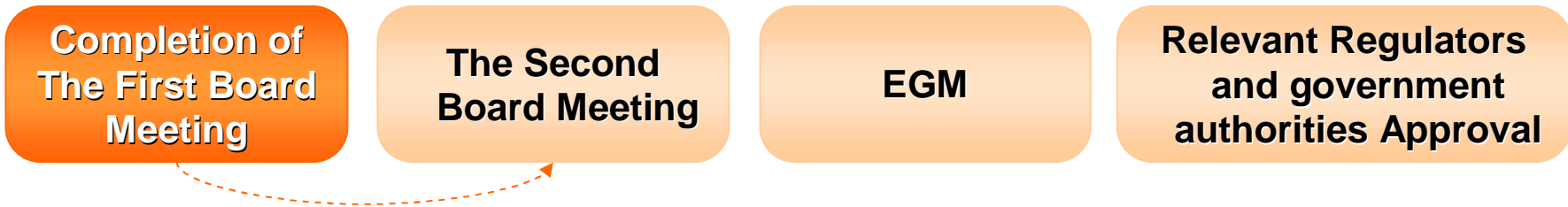
- n In line with relevant laws and regulations, the offering price of SDB new shares to be issued to PAG is set at RMB 17.75 per share, representing the 20-day volume-weighted average trading price of SDB prior to the date when the SDB board resolution was announced
 - n 1.639 billion new shares of SDB are subject to a 36-month lockup period
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Preliminary Valuation of PAB

- n As at 30th Jun, 2010, PAB had a net asset value of RMB 15.3 billion (audited)
- n Preliminary valuation of PAB is approximately RMB 29.1 billion (the number of shares to be subscribed and the amount of cash injection is according to this preliminary valuation. The finalised amount will be subjected to the completion of profit forecast and appraisal.)

Procedures for Further Approval Process

Sep 1st



- **After the completion of appraisal and profit forecast, PAG Board and SDB Board convene another meeting to review the proposed transactions**
- **PAG's EGM approves the proposed transactions**
- **SDB's EGM approves the proposed transactions and waives PAG from making a tender offer**
- **Relevant regulators and government authorities approve the proposed transactions**

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Transaction Rationale

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To Both Parties: The Beginning of a Long-term Win-Win Relationship between SDB and PAG

What it means to SDB

- n The transaction will help SDB relieve its funding constraint, and enhance its Tier 1 capital base and balance sheet to support its growth carrying forward
 - n PAG will provide continual capital support to SDB after the transaction: PAG will also share customer, product, channel, IT and back-office resources with SDB to improve its core competence
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What it means to PAG

- n Fit in with the integrated financial strategy: through controlling ownership of a sizeable nationwide bank, PAG will achieve a more balanced development for its three business pillars: insurance, banking, investment
- n PAG will further integrate its banking resources on the SDB banking platform to maximize potential synergies and more focused resources
- n PAG's balance sheet and profitability will be directly enhanced post transaction

Next Step: Further Integration

The proposed transaction is just a start and part of the overall integration plan. Further integration between PAG and SDB will go on...

- n To further advance the Integration, PAG and SDB further agree that, SDB shall achieve the Proposed Integration through legally permitted means, including but not limited to, the absorption of PAB, according to the progress of the Share Subscription and the communication with and the approval from the relevant regulatory authorities.

Proceeding with the Integration

- n PAG agrees that it will support and provide necessary assistance to the said integration by SDB. To the extent it is legally and regulatory permissible, PAG will provide, or to designate a third party to provide, SDB Shares as absorption consideration in exchange for the PAB Shares held by the PAB shareholders (other than SDB), buy back the SDB Shares from any SDB Dissenting Shareholders according to the then absorption proposal.

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Q & A

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